

DCF LEGISLATIVE TESTIMONY



10/19/2021

TESTIMONY OF

Elizabeth Cohn, Child Support Director
Department for Children and Families

TESTIMONY ON

Overview of IV-D Child Support Payment Collections

Chair

McGinn

Vice Chair

Humphries

and

Members of the Committee

INTRODUCTION

Chair McGinn, Vice Chair Humphries, and members of the committee, thank you for the opportunity to speak to you today. My name is Elizabeth Cohn, I manage the Kansas Department for Children and Families Child Support Services Division, which includes oversight of Kansas IV-D Services.

Per the committee's request, I am here today to speak with you specifically about IV-D Child Support Payment Collections.

Kansas IV-D Program

In 2013, the Kansas program was the first program to pivot to provide full services by contractors. In 2019 and 2020, we sought out stakeholder opinions about the program through a review completed by Midwest Evaluation. From that arose our current vision:

The Kansas IV-D program provides to child support families:

- 1) Timely, correct, and accurate casework;
- 2) A knowledgeable, fair, and professional workforce; and,
- 3) A unified, one Kansas IV-D team approach.

These deliverables to IV-D families gives the families the information they need about their IV-D case so the family can make an informed decision for their family.

Current Delivery Model of IV-D Services

On October 1, 2021, the service delivery model of IV-D services changed. The Kansas Payment Center remains in its current operation status. The full-service delivery changed to two contractors who each operate their own customer service center. Customers are still able to call 1-888-757-2445 and receive the same automated services as before. However, if they choose to speak to a customer service representative, they are being routed to the contractor who is responsible to service that county or judicial district. The caseload is almost evenly split between the two contractors. Maximus has Wyandotte, Johnson, Shawnee, and Sedgwick counties. YoungWilliams is providing services in the remainder of the state.

CSS Administration is committed to continuing to Remove Barriers, internally and externally. Over the next few months, we are working in these areas.

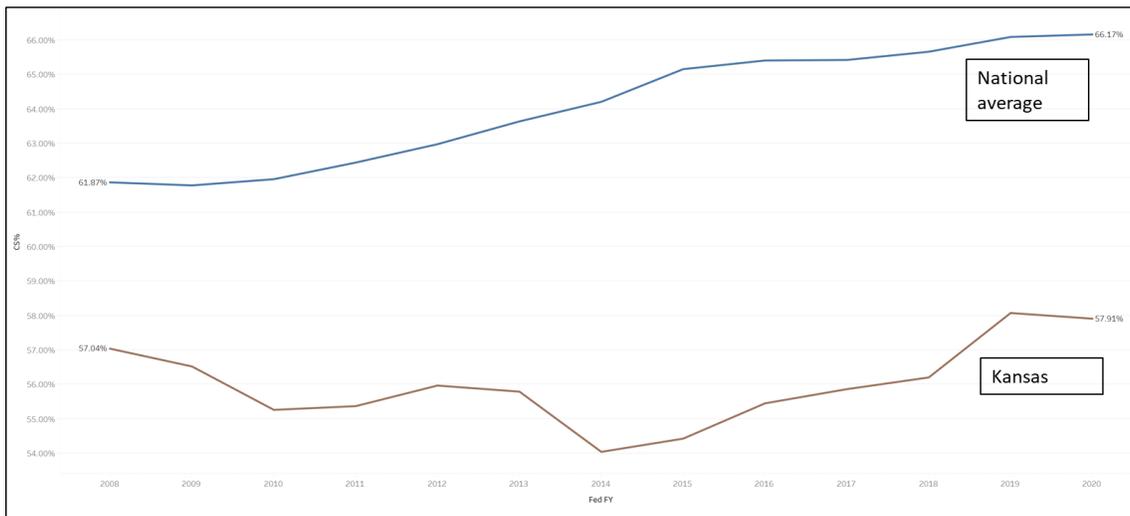
Internal controls. We are openly working to ensure that the program operates as smoothly and efficiently for the end user and customer by finding barriers and implementing solutions.

Examples of internal controls that are in place are the following:

- Ownership of an IV-D case has been clarified to be the contractor for the Judicial District. The contractor is responsible for everything from the initial first impression when someone asks for or sends in a completed enrollment form to answering calls to outreach in their areas. Contractors will be on site at least monthly in every community that DCF has an office.
- Our replat forming project is on track to be completed by early 2023. With an updated code base, programming changes should occur more easily and can adopt to program needs more readily.
- A contract compliance unit has been created within CSS Administration. The focus of this team is to read cases in every stage to address issues early and frequently.
- Another lesson learned from the Midwest Evaluation was that we were not looking at our data intentionally. We have dedicated staff in place now to review and analyze data.

Recently we reflected on our current collections over the last few years. One of the five performance measures is current collections which compares the amount of current support collected versus the total amount of current support owed in the IV-D caseload. This graph is a historic view of Kansas compared to the National view.

Current Support percentage trend since FFY2008:
National and Kansas.



KS has stayed well below the national average since 2008 and ranks 44th in the nation in FFY 2020.

The low point was 54.04% in FFY2014.

Slide 6 from the Current Support report

Source: OCSE Data Analytics report

The graph show Kansas versus the IV-D collective view beginning in 2007. The trend nationally is a slow continuous gain. Kansas does not reflect that stable, continuous gain path.

One of the key things that makes our program unique is the variety of orders and family situations that are a part of the IV-D program as well as the length of time orders stay within our program. Some children spend their

entire minority with a child support order in place, others it is just for a short time. Further, the highs and lows of the economy also impact the collection as different resources are put forth such as the extended unemployment benefits after the last recession which impact those years of collection but were not continued long term. It is currently unclear to Kansas IV-D the correlation between family structure, the economy, the amount of the monthly support ordered, and the impact on IV-D collections of monthly support obligations. We do know that is unlikely to be something that is fixed quickly or with sudden large gains.

This lack of clearly identifiable cause was one of the reasons an independent evaluator of the program was engaged in November 2019. In June 2020, CSS received the final report of our evaluator, Midwest Evaluation and Research, LLC. The three top recommendations made to us were the following:

- 1) Maximize the potential of privatization contracts.
- 2) Update the State-wide computer system (KAECSES).
- 3) Modernize the Kansas IV-D Program.

Based upon this report, many changes are underway within the IV-D program to help us continue to improve our program as well as mindfully prepare for future KAECSES changes.

Our goal is to work to be able to repeat our performance year over year to determine our stabilized baseline. A baseline of performance was included in the new contracts. From this baseline, we can work with our contractors to identify where we can shift policy, procedure, or KAECSES to make meaningful change to our collections and other performance measures. It will take a partnership with our data and our contractors to determine the root cause of our performance instability. Further, if changes are needed to KAECSES, they should be easier to accomplish as the re-platforming to a different code base is scheduled to be completed in early 2023.

Data and Record Management. We are committed to accurate data and easier record management which may be a change in form or legal document to the overall storage and retention of records. We are looking at the entire process to determine where and how to streamline.

- We are implementing a standard written communication plan with our new contracts to ensure we are connecting internal and external queries to the best person or team to answer the need.
- We are looking at our data meaningful to determine where policy or procedure changes could occur. For example, what options have not been taken due to the difficulty or inability to reprogram. An area of interest is broader discussions of what is a required referral as well as what policy options are available to prevent the creation of uncollectible child support. Another area of interest is broader distribution of child support options and how changes in distribution may impact IV-D families or the IV-D operations budget.

Partnering. We are committed to partnering with everyone to ensure that the IV-D families know about, receive, and are connected to both IV-D services and services that will help their family each time we connect with them.

- Customer service surveys are planned for 2022. A lesson learned from the Midwest Evaluation was that we did not ask if customers were willing to provide us feedback on our program. We changed that process and have now collected a group of parties to connect to who are willing to give us feedback.

- The integrated voice response system that is used by the Call Center was updated October 1, 2021 to have a more approachable and understandable script for callers.
- The standalone call center was removed and each contractor including the Kansas Payment Center now has their own call center to assist callers on their schedule.
- A mobile application was part of the new contracts and is scheduled to launch in 2022.
- As part of the contract, offices were designated to be in certain areas that have been identified as population centers. In early 2022, CSS offices will be located in Pittsburg, Emporia, and reopened in Hays.
- Also, as part of the contract, at least monthly site visits are to occur in any community that has a DCF office. Therefore, CSS will be in these communities to connect with customers on their needs.
- In late 2021, we will release a trifold one-page document that highlights the key points of our program for parties. We are on track to update our full handbook to reduce its reading level from grade 11 to something more approachable.
- Each contractor has dedicated staff who are part of an outreach team. These outreach staff are to engage in communities to help everyone better understand and participate in the IV-D program.

CSS is excited to be undertaking these changes. We are thankful for the lessons learned from the Midwest Evaluation that helped shape our focus and vision. Our goal is to improve the customer service experience for IV-D families and stakeholders and any other factors that are within our control to deliver the best program experience.

Thank you for your continued interest and partnering to help us achieve our goal.

Additional Kansas IV-D Context

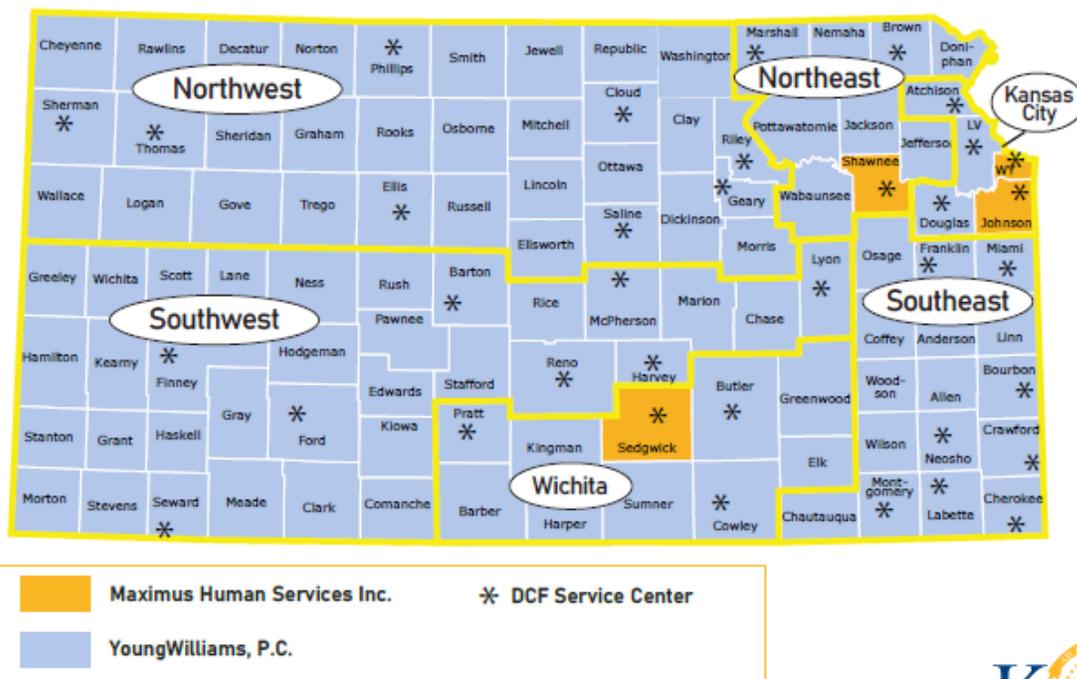
Let me begin with a basic overview of the Kansas child support system. In Kansas, we have a dual system of enforcement services with both types utilizing the Kansas Payment Center for payment processing. At DCF, we administer the Kansas IV-D program under the authority of Title IV-D of the Social Security Act. DCF also oversees the operation of the KPC. Cases that are not assigned to the State through the IV-D program are identified as non-IV-D once an order is in place.

The Kansas IV-D program began in Kansas in 1976 and our authority is set out in K.S.A. 39-753. Every state and territory as well as some tribes, have IV-D programs which are overseen by the Federal Office of Child Support Enforcement.

OCSE is our federal partner and they are housed within the Department of Health and Human Services. OCSE sets procedures to review programs, approves state plans, audits the programs as well as providing training and technical assistance. They also gather a variety of data from the submission of required reporting by the IV-D programs.

Funding for the IV-D program is shared by state and federal governments with the state paying 34% of administrative costs and the federal government paying 66%. However, each state has a maintenance of effort (Kansas \$10,388,62) which sets forth the minimum each state will spend on the program. Our FMAP is currently temporarily enhanced to 65.88% from 59.68%. In addition, incentive funds are available based upon performance, but any earned funds must be spent on the program. There are also financial penalties if minimum thresholds are not met.

Child Support Services Contracts



Toll free number for Case Inquiries: 888.757.2445



The Kansas IV-D program is within the Department for Children and Families. We are a state administered program and have a small state staff within DCF. The State Office is responsible for all policy and procedure as well as oversight of the overall program. Our service delivery model changed on October 1, 2021 when new contracts were implemented. Our day to day operations are provided by two full-service providers – Maximus and YoungWilliams who each operate their own internal call center and the Kansas Payment Center which also has an internal call center.

The Kansas Child Support Services or IV-D program is open to anyone who enrolls for our services or is required to participate due to other benefit programs (childcare, TANF, Medicaid, food assistance, and foster care).

The IV-D program will either establish a parentage and/or support order for a child or enforce an existing order. We work with other IV-D programs, state, territory or tribal as well as other countries, to assist families in order establishment and the collection of child support. Our program uses the Kansas Child Support Guidelines to recommend a realistic amount of child support based upon verified income information for the legal parents at court hearings. The program has dedicated attorneys who represent the Secretary of DCF as their client. Once a support order is set by the court, our program works to find financial resources – usually through an employer – and collect the court ordered support. We do face limitations as some parents are not findable or do not have a source of income or other financial resources that can be attached. Our program cannot guarantee the collection of court ordered child support.

Kansas Child Support is a unique service. In Kansas, a party usually meets the system for the first time when an order of the court instructs them to pay support, pay it to the Kansas Payment Center, and requires collection to be done by income withholding when possible.

At that point and time, depending on a party's location in Kansas, they may receive government assistance through either the IV-D agency (DCF) or a Court Trustee. Kansas established an option for judicial districts to choose to establish a court trustee office which provides enforcement services after an order of support is in place (See K.S.A. 20-377). Currently, there are 16 court trustees. Unfortunately, this means that not every judicial district has a court trustee in place. If the party chooses not to use government services, they proceed privately – either seeking the assistance of an attorney or representing themselves. Those cases that are assisted by DCF are IV-D or non-IV-D which is both the Court Trustee and privately represented cases. If a court determines that a case is not to be paid through the KPC, the parties are responsible for their own accounting and follow the directives that are given by the court.

Each state is required to have a centralized state collection and disbursement unit and the authority for ours is set out at in chapter 39 of the Kansas statutes. Both DCF and the Office of Judicial Administration have specific duties regarding the Kansas Payment Center. All cases that are required to be paid through the Kansas Payment Center complete paperwork that tells the KPC how to process any payment that is received. The KPC staff use that paperwork to set up the case on their system, receipt in and record received payments (receipts) and disburse payments to families (disbursements).

Each state child support program operates differently within the federal parameters. In 1996, changes occurred to the program with the implementation of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) which implemented Temporary Assistance for Needy Families (TANF) and updated the requirements for TANF recipients to participate with the IV-D program to receive benefits. Child support was identified as a long-term solution for children to receive financial stability. In 1998, Congress enacted the Child Support Performance and Incentive Act (CSPIA) (P.L. 105-200). A key provision was the requirement that states meet performance standards to receive incentive funds.

There are five performance measures:

1. Paternity Establishment Percentage – There are two options – IV-D or Statewide PEP. Kansas has elected to use Statewide PEP. This measure compares the total number of children born out of wedlock in Kansas during the preceding fiscal year to the number of minor children who had parentage established or acknowledged in the fiscal year. Due to the criteria for the equation, it is possible to exceed 100%.
2. Support Order Establishment – This compares the number of cases that have a support order in place against the total IV-D caseload.
3. Current Collections – This compares the amount of current support collected versus the total amount of current support owed in the IV-D caseload.
4. Arrearage Collection – This compares the number of child support cases that made a payment towards an arrears balance versus the total number of cases in the IV-D caseload that owe arrears.
5. Cost-Effectiveness – This measure how many IV-D child support dollars were collected versus how much was spent on IV-D administration of the program.

In June 2020, CSS received the final report of our evaluator, Midwest Evaluation and Research, LLC. The three top recommendations made to us were the following:

1. Maximize the potential of privatization contracts.
2. Update the State-wide computer system (KAECSES).
3. Modernize the Kansas IV-D Program.

Midwest suggested that Kansas do the following to “maximize” the potential:

Identify what type of contractor’s model works best in that there is the traditional caseworker model, a task-oriented model similar to how DCF EES, and a hybrid. Another suggestion was to increase the quality of service in the multi-agent environment through working to simplify of the complex system that is seen as working against parents and for the system to communicate better both through more access points and a different approach through communication at both manager and service delivery.

The statewide computer system (KAECSES) is a central feature in a child support worker day. It is the repository for all our essential information and is literally the backbone of the program. Midwest strongly recommended that it be addressed with an appropriate technological solution.

Third, Midwest recommended CSS focus on identifying and removing barriers to internal and external customers. CSS needs to share more information with the public – current customers, potential customers, and other stakeholders such as employers, taxpayers and the legislature. Kansas CSS needs to review other high performing IV-D programs and determine if the changes that worked for other states will work for us and then take the necessary steps to make the change.

As of October 2021, a number of changes have occurred in the IV-D program as a result of this evaluation. First, the re-platforming effort officially started on June 1, 2021 and is on schedule to be completed in early 2023.

Second, an updated service delivery model was developed and procured. One significant change of the contracts that began October 1, 2021 is that a shift to full ownership of the cases was begun. CSS Admin determined that the two schools of thought around task-based work versus traditional casework were something that we could not resolve. Therefore, with these contracts we shifted our focus to giving contractors full ownership of the caseload and letting them determine what service delivery method would work best. We provided them areas that must be specifically addressed such as finance, site management, outreach, customer service and training and have identified personnel.

A key part of that decision was the elimination of the stand-alone call center and a new requirement that each contractor answer all calls directly for their portion of the caseload. Our thought was that the service provider was in the best position to address and resolve a customer's issue if they were the first to last impression. This allows for IV-D families to call on their schedule and work directly with the contractor who is responsible for all actions with their case. Other significant changes to the contract were required locations for offices in all cities where there is a DCF regional office and that the contractor visit each area where there is a DCF office at least monthly. Also, the relationship between CSS Administration and the Contractors has shifted to ensure there is transfer of knowledge within the contract as well as regular evaluation of the contractor's work product through contract compliance reviews. CSS Admin has created a unit that will be doing regular reads on various aspects of the contractors work product to ensure compliance. Further, a comprehensive communication plan will be implemented to hopefully limit and reduce the communication issues that were of concern in the Midwest report.

In addition, CSS continues to work to remove barriers to the program. Some of our visible work is the work with DCF partners to update forms to eliminate unnecessary or intrusive questions, a regular review of our enrollment form to only ask needed questions, an updated brochure is in final draft to connect families to the program, and the CSS handbook is under revision to simplify.

Thank you for your continued interest and partnering to help us achieve our goal.